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Food Distribution Administration
Washington 25, D. C.

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FINANCE AND ACCOUNTS DIVISION MEMORANDUM NO. B-38

U. S. DEPARTMENT OF AGRICULTURE

To: Chiefs, Regional Fiscal Divisions

From: George C. Hoffman, Assistant Chief, Accounting Management
Section, Finance and Accounts Division

Subject: Accounting Procedure K/1a - Community School Lunch Program,
Fiscal Year 1944

Allotments and Allocations

Regional Fiscal Divisions upon receipt of each State Advice of Allocation from the office of the Regional Director shall at once establish an Allotment Ledger Account for each separate state. As advice of allocation increase, decrease, or cancellation of a State Allocation is received from the office of the Regional Director, immediate entry shall be made to the applicable State Allotment Ledger Account. Form FDA-514, Allotment Ledger, shall be used for recording allotment ledger transactions of the separate states.

Obligations

The Regional Fiscal Office, upon receipt of each Form FDA-535, Negotiated Contract, and Form FDA-535A, Schedule A, which show the estimated number of various type meals to be served daily, and the opening and closing dates of the period involved, will immediately analyze same to determine if the information as reported will enable you to set up an actual obligation for the total number of days the School or Child Care Center will serve meals. It is very essential that the obligation be as accurate as possible. In many cases the Regional Fiscal Office will need to contact a Child Care Center or State Superintendent of Schools, through the Office of the Regional Division administering the program, to obtain, if possible, the actual number of days meals will be served, also a more accurate figure on total meals to be served daily, during the period involved, after the date of the contract. When you are satisfied that you have obtained the best information possible, prepare Form FDA-508, Encumbrance Request, showing state, contract number, and all essential information required to enable you to compute the total obligation for each contract. Block Forms FDA-508, Encumbrance Request, by states daily on document block sheet Form FDA-506. Post each Form FDA-508 to applicable State Allotment Ledger Account on Form FDA-514, Allotment Ledger. Reconcile the Allotment and General Ledgers at the close of each month's business.

In Regional Fiscal Offices where the floor space and office arrangement will allow the use by both the Regional Voucher Review Section and the Regional Accounting Section of the same files, attach applicable obligated Form FDA-508, Encumbrance Request, to Forms FDA-535 and FDA-535A, Negotiated Contract and Schedule A respectively, and file by state and by contract number.

In Regional Fiscal Offices where the floor space and office arrangement is not adequate to allow the above filing system, Form FDA-508, Encumbrance Request, will be filed in the Regional Accounting Section by state, by contract number, and Forms FDA-535 and 535A, Negotiated Contract, and Schedule A, respectively, will be filed in the Regional Voucher Review Section by contract number only.

Liquidations

The Regional Fiscal Office will receive the original and one copy of Form DP-1, Public Voucher Diversion Programs, supported by original and one copy of Form FDA-536, Report and Certification of Purchases. After the Regional Voucher Review Section has certified and scheduled same for payment, one copy of Form DP-1 and two copies of Standard Form No. 1064, Schedule of Disbursements, will be transmitted to the Regional Accounting Section, where the documents will be routed to the liquidation clerk who will withdraw from the files each applicable contract Encumbrance Request, Form FDA-508. Post each DP-1, Public Voucher Diversion Programs, on Forms FDA-508 as amount paid and encumbrance liquidated. Also compute and show the unliquidated balance, and refile by state, by contract number. Block all Standard Forms 1064, Schedule of Disbursements, by states daily, on Form FDA-506 document block sheet. Forward the blocks with all applicable Forms DP-1 and Standard Form 1064 to the Allotment Ledger Unit where each Form DP-1, Public Voucher, will be posted to the proper State Account as an obligation liquidated and as an Audited Voucher. For routing of documents, see Section F-6, Procedure and Accounting Manual, effective July 1, 1943.

General Ledger

Upon receipt in the General Ledger Unit of Form FDA-506 and attached documents the following entries will be made:

A. Allotments and Allocations

See Procedure and Accounting Manual effective July 1, 1943, Section E, pages 4-8.

B. Obligations

See Procedure and Accounting Manual effective July 1, 1943, Section E, page 23.

C. Liquidations

See Procedure and Accounting Manual effective July 1, 1943, Section E, pages 38-40.

The General Ledger Unit will route all Document Block Sheets Form FDA-506 and attached documents to the File Unit. For proper distribution of the documents, follow the procedure as outlined in Procedure and Accounting Manual, effective July 1, 1943, Section F-6, Routing of Documents, pages 5 and 6.

Transferred Commodities

According to the best information available at this time in this office, there is a possibility that certain commodities, purchased from 1944 Fiscal Year Funds under other programs may be distributed in some regions under Program K/1a, in which case it will be necessary to set up an obligation against the allocation to each state receiving such transferred commodities. In no case shall the total amount of contracts entered into with sponsoring agencies in any state plus the value of transferred commodities to that state, exceed the amount of funds allocated to the state.

The Regional Fiscal Divisions will receive monthly through the office of the Regional Division administering the School Lunch Program, Form FDA-541, Monthly Report of Direct Distribution of Commodities. The Regional Division administering the program will have determined through the office of the Regional Custody and Disposition Section of the Transportation and Warehousing Branch, which, if any of the commodities listed, were purchased under a "K" program, which designates that purchase was made with 1944 Fiscal Year Funds, and all such items will be plainly marked 1944 Funds. The first report received should show the inventory, if any, as of June 30, 1943, and all commodities and quantities received this Fiscal Year up to the end of the period for which the report is furnished.

It may be necessary each month for several months, to have before you the report reflecting June 30 inventories, and each subsequent monthly report, since consideration will also have to be given to the fact deliveries may still be made on 1943 Fiscal Year Contracts between Section 32 and General Commodities Purchase Program, which commodity costs are not applicable to the 1944 Fiscal Year State Allocations. The quantities reported in Column 8, Form FDA-541, for the first several months must in total exceed the June 30 inventory and subsequent deliveries on "J" programs, before you would set up an obligation for amounts reported in columns 5 and 6 only, and then for the difference only between the cumulative deliveries to date and the June 30 inventory. When all Forms FDA-541 have been received for a month, make immediate request to the Commodity Accounting Section in the Northeast Regional Fiscal Office for unit rates for all commodities distributed in your Region which were purchased with 1944 Fiscal Year Funds, but only for that portion shown as distributed to Public Schools or Child Care Centers. These unit rates (which will be inclusive of all elements of cost) will be furnished promptly, and upon receipt of same you will compute the value of all commodities listed in columns 5 and 6 only. Use Form FDA-508, Encumbrance Request, and prepare same for total value of commodities (by commodity) listed on each Form FDA-541 delivered in each state each month, and used by Public Schools or Child Care Centers. Each Form FDA-508 is to show quantity and unit price per pound and marked "Distributed Directly." Attach Forms FDA-508 to applicable Forms FDA-541 and block on document block sheet FDA-506. Post each Form FDA-508 as an obligation to proper State Account. General Ledger postings are to be made according to Section E, page 23, Procedure and Accounting Manual, effective July 1, 1943. File Forms FDA-541 and FDA-508 in Regional Accounting Office by state and by date of

Preparation of Reports

It will be the joint responsibility of the Regional Fiscal Office and the Regional Division administering the School Lunch Program to analyze each State Allotment Account at the close of each month's operations to ascertain what increases or decreases should be made in certain obligations, by the Regional Fiscal Office in order that information and reports furnished the Regional Director and others interested in the operation of this program shall reflect the exact status of unobligated balance of allotments. Using Form FDA-583, Administrative Expense Report, make changes in report headings as per inclosed sample, and prepare monthly statement for each State Allotment Account and for the allotment to the Regional Director. Withdraw from the file all Forms FDA-508, Encumbrance Request, which have been prepared for commodities distributed directly. Determine the cumulative amount paid, by States, and the cumulative Unliquidated Balance by States, and record on Form FDA-583, Administrative Expense Report, as per sample attached, the paid amount as disbursement vouchers, and the unliquidated balance as unliquidated obligations. Transmit four copies of all reports to the Reports and Controls Section, Finance and Accounts Division, Washington, D. C., for consolidation of all regions, as per telegram dated July 22, 1943, from H. O. Hart.

Transfer of Funds

To effect a transfer of funds under appropriation 1242100(38) between Limitations .038 and .031 for the value of commodities distributed directly for use in the School Lunch Program, which were purchased with Section 32, 1944 Fiscal Year Funds, the following procedure will be followed in setting up the charge in each Regional Fiscal Office to appropriation 1242100(38).038:

Each Regional Fiscal Office will, each month, after all obligations have been posted, withdraw from the file all Forms FDA-508 which were posted during the current month as an obligation. From the information appearing on each Form FDA-508 prepare, for each state, a Standard Form-1080, Voucher For Adjustment Between Appropriations and/or Funds, and a Standard Form-1081, Revised Schedule of Adjustments, which will be marked "No Checks To Be Drawn." Use one white, two yellow, one blue, and two green copies of Standard Form-1080, reflecting the quantity and value of each commodity which was distributed directly. Each commodity value as reflected on Standard Form-1080 should be in agreement with values as shown on Form FDA-508, Encumbrance Request. Using Standard Form-1080 as posting medium, post each commodity value to Form FDA-508 as an encumbrance liquidated, and amount paid. Refile Forms FDA-508 in a liquidated file, by States. Block Standard Forms-1080 on document block sheet Form FDA-506 and post the total value of commodities received by direct distribution in each state, to the applicable State Account, as an obligation liquidated, and as an Audited Voucher. General Ledger entries are to be made as per Procedure and Accounting Manual, effective July 1, 1943, Section E, page 56, as follows:

Dr. 40.1 Current Costs
Cr. 47. Inter-Office Cash Control

Dr. 91.3 Unliquidated Encumbrances
Cr. 91.2 Unencumbered Allotments

Dr. 91.2 Unencumbered Allotments
Cr. 91.4 Expended Appropriations

Above entries to be made in all Regional Offices for Standard Forms 1080 originating in that office.

Each Regional Fiscal Office will retain in a pending file one yellow copy of Standard Form 1080 and one copy of Standard Form 1081. As no Disbursing Officer is involved in these transactions and no checks are to be drawn, you will transmit to the Chief, Reports and Controls Section, Finance and Accounts Division, Washington, D. C., one white, one blue, and one yellow copy of Standard Form 1080, and the original and four copies of Standard Form 1081. The Reports and Controls Section will forward to the General Accounting Office, through the Departmental Accounts Section of the Office of Budget and Finance, U. S. Department of Agriculture, the original and three copies of Standard Form 1081 and the white and blue copies of Standard Form 1080, retaining the yellow copy of Standard Form 1080 and one copy of Standard Form 1081 in a pending file awaiting receipt of the accomplished copy of Standard Form 1081. Upon receipt of the accomplished copy of Standard Form 1081, the Reports and Controls Section will transcribe the accomplished data on the file copy and forward same to the office originating the transfer for completion of their file - no posting to ledgers required. The original will be filed in a permanent file in the Washington Reports and Controls Section.

Each Regional Fiscal Office will transmit, by Form FDA-507, Document Transmittal, one green copy of Standard Form 1080 and one copy of Standard Form 1081 to the Northeast Regional Fiscal Office. Using document block sheet Form FDA-506, the Northeast Regional Fiscal Office will block the quantities and value of each commodity which was distributed directly, including distribution in the Northeast Region as evidenced by Standard Form 1080 prepared in the Northeast Regional Fiscal Office. Post the quantity and value of each commodity to the applicable Allotment Account, under Appropriation .1242100(38).031, as credits, which will increase the Unobligated Balance of Allotment. General Ledger entries in the Northeast Regional Fiscal Office for these transactions are as follows:

Dr. 47.1 Inter-Office Cash Control
Cr. 40.1 Current Costs

Attachment

B-48

George B. Hoffman

